From:

Angie Lake

Sent:

Tuesday, December 1, 2020 12:08 PM

To:

Matt Carnagie

Subject:

FW: Drivers Ed bill

From: Seaman <fancynancy68@comcast.net>
Sent: Tuesday, December 1, 2020 12:06 PM
To: Angie Lake <alake@house.mi.gov>

Subject: Drivers Ed bill

Hello,

my name is Nancy Seaman from National Driving School in Tecumseh MI. I want to express my opinion on the driver's Ed bill. I am absolutely against this! If you ask around like I did of the different ones that have done virtual learning, the test scores are so low and the kids do not pay attention at all.

Thank you, Nancy Seaman



From:

Angie Lake

Sent:

Tuesday, December 1, 2020 12:05 PM

To:

Matt Carnagie

Subject:

FW: HB5845 & HB6320

From: Shellie Simmons <ssimmons2636@yahoo.com>

Sent: Tuesday, December 1, 2020 9:01 AM To: Angie Lake <alake@house.mi.gov> Cc: ashelychambers248@yahoo.com

Subject: HB5845 & HB6320

I am opposing the subject bills (HB5845 & HB6320). This is Shellie Simmons with Alpine Driving School, Inc. - Southfield, Mi





December 1, 2020

Dear Honorable Governor Gretchen Whitmer, Secretary of State Jocelyn Benson and Staff, and Respected Members of the Michigan Senate and House of Representatives:

The Michigan Driver and Traffic Safety Education Association (MDTSEA) is an organization representing driver educators, supervisors/directors, driving school administrators and owners, road test examiners, corporate fleet safety trainers, enforcement officials, and traffic safety experts across the state. According to Michigan Department of State records, in September 2020, there were 294 driver education providers (schools), employing 1,831 instructors in Michigan.

This letter represents the collective voice of our association, as we feel compelled to share our opposition on HB 5845 and HB 6320 that would have a major impact on driver education in Michigan. Both bills are being presented as solutions during the pandemic crisis, but we believe both bills are opportunistic bills that benefit large corporations/providers. Ultimately, leading to driving schools laying off classroom instructors or closing their business entirely. We do not believe that finding a solution to one problem should inadvertently create another problem: in this case, the unemployment of classroom instructors, lower standards of learning, increase of crash related injuries and deaths.

The basis of our opposition to HB 5845.

• Gives exclusive control of a particular market, including the power to control prices and exclude competition. Proponents believe it can increase business for providers. Essentially, the larger company (AAA in this case) sells the same products as you do but at a much lower price. For example, providers would pay AAA \$39 per student but to make a profit to cover business cost, the provider would have to sell the course for at least double for more. So, one provider may charge \$89, and to beat that rate, another could lower the cost to \$79.....and so on down the line until the price drops and the profit margin for online providers gets reduced severely.

How can providers that have rented classrooms compete with online providers? We see a situation in which classroom instructors are laid off because there are not enough students in class to cover rent. Please see the example on page 2 and 3 of a small driver education providers business Profit & Loss figures.

With these modest simple figures, how can one state providers will not lose profits? AAA even recognized this as stated on page 77 of the "Novice Driver Education Model Curriculum Outline", prepared by the AAA Foundation for Traffic Safety, it states:

Figures are based on a small business consisting of [1] employer[owner], [1] location, [1] vehicle. Offering segment 1 course and Behind-the-Wheel[BTW] instruction to teens.

Profit & Loss for the month of	October 31, 2020			
Revenue	•	40.050.00		
Segment 1 Course [30 students @\$355/student]	\$	10,650.00		
Total Gross Revenue			\$	10,650.00
Cost of Goods Sold				
Classroom instruction [\$20/hr X24 hours] + [\$100/COVID classroom materials] + [\$50/instructional materials]	\$	630.00		
BTW Instruction [Salary = \$20/hr X 180hr = \$3,600] + [\$21.10/gas per student	\$	4,595.00		
X 30 students = \$633] + [\$212/Commercial vehicle insurance and registration/plate per month] + [\$150/Vehicle maintenance/COVID cleaning supplies = \$362]				
Total Cost of Goods Sold			\$	5,225.00
Gross Profit / (Loss)			\$	5,425.00
Gross Profit / (Loss) %			\$	0.51
Operating Expenses				
Salaries & Payroll Costs				
Electricity	\$	150.00		
Rent	\$	550.00		
Insurance	\$	50.00		
Office Supplies	\$	30.00		
Advertising Costs	\$	50.00		
Telecomms - Phone, Internet etc.	\$	150.00		
Equipment	\$	20.00		
Subscriptions	\$	30.00		
Total Operating Expenses			\$	1,030.00
Net Profit / (Loss) Before Depreciation, Interest & Taxes			\$	4,395.00
Net Profit / (Loss) %			\$	0.41
Depreciation (Vehicle + Office equipment)	\$	1,500.00		
Bank Charges & Interest Costs	\$	10.00		
Profit Before Tax			\$	2,885.00
Net Profit / (Loss) %			\$	0.27
Taxes	\$	75.00		
Net Profit			\$	2,810.00
Net Profit / (Loss) %			\$	0.26

Figures are based on a small business consisting of [1] employer[owner], [1] location, [1] vehicle. Offering AAA's online segment 1 course and Behind-the-Wheel[BTW] instruction to teens.

Profit & Loss for the month of		October 31, 2020		
Revenue		0.100.00		
AAA Online Course [30 students X \$70/course-student] BTW Instruction [30 students X 6 hrs/student = 180 hrs X \$35/hr]	\$	2,100.00 6,300.00		
Total Gross Revenue			\$	8,400.00
Cost of Goods Sold				
AAA Online Course [30 students @ \$40/student. Provider would pay AAA	\$	1,200.00		
BTW Instruction [Salary = \$20/hr X 180hr = \$3,600] + [\$21.10/gas per student X 30 students = \$633] + [\$212/Commercial vehicle insurance and registration/plate per month] + [\$150/Vehicle maintenance/COVID cleaning supplies = \$362]	\$	4,595.00		
Total Cost of Goods Sold			\$	5,795.00
Gross Profit / (Loss)			\$	2,605.00
Gross Profit / (Loss) %			\$	0.31
Operating Expenses				
Salaries & Payroll Costs				
Electricity	\$	150.00		
Rent	\$	550.00		
Insurance	\$	50.00		
Office Supplies	\$	30.00		
Advertising Costs	\$	50.00		
Telecomms - Phone, Internet etc.	\$	150.00		
Equipment	\$	20.00		
Subscriptions	\$	30.00		
Total Operating Expenses			\$	1,030.00
Net Profit / (Loss) Before Depreciation, Interest & Taxes			\$	1,575.00
Net Profit / (Loss) %			\$	0.19
Depreciation [Vehicle + Office equipment]	\$	1,500.00		
Bank Charges & Interest Costs	\$	10.00		
Profit Before Tax			\$	65.00
Net Profit / (Loss) %			\$	0.01
Taxes	\$	75.00		
Net Profit			\$	(10.00
Net Profit / (Loss) %			\$	(0.00

"Many small commercial operators would be left out of technology advances because of the up-front costs involved. In some jurisdictions, there is already a two-tiered commercial industry, with larger schools providing two-phase training to some standard, perhaps to qualify graduates for an insurance discount. Small operators may offer only in-car lessons to prepare for the licensing test. Increasing operating unit costs in the upper tier would inevitably force business into the lower tier. The upper tier's ability to absorb capital costs is unclear, but it would probably depend on market expansion to recover the costs without increasing unit costs."

Further, by allowing online driver education in Michigan, you do not simply allow AAA entry into the market. Aceable and others would be allowed too. We note their current price for online driver education in other states is \$29. Sounds like great savings for the parents, and the convenience of a self-paced course for the teen, but it also puts Michigan classroom instructors out of work while prospering out-of-state vendors. Thus creating a "Monopoly" or "Predatory Pricing/Price Fixing". According to the Michigan Department of Attorney General's web site, monopoly is a large company that has control over most, if not all, of a product or service in a particular industry or geographical area.

Predatory pricing has been defined by the U.S. Supreme Court as "pricing below an appropriate measure of cost for the purpose of eliminating competitors in the short run and reducing competition in the long run".

Please see the following resources:

<u>Understanding Exclusionary Conduct in Cases Involving Multi-Sided Platforms:</u>
<u>Predatory pricing, Vertical Restraints, and MFN</u>

<u>Predatory Pricing: Strategic Theory and Legal Policy, Patrick Bolton, Joseph F.</u> <u>Brodley and Michael H. Riordan</u>

Michigan Antitrust Reform Act, PA 274 of 1984

- Denial of participation for students with disabilities. Title III prohibits discrimination of individuals with disabilities "in the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation by any person who owns, leases (or leases to), or operates a place of public accommodation (42 U.S.C. § 12182(a). The Nation's proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals; and the continuing existence of unfair and unnecessary discrimination and prejudice denies people with disabilities the opportunity to compete on an equal basis and to pursue those opportunities for which our free society is justifiably famous, and costs the United States billions of dollars in unnecessary expenses resulting from dependency and nonproductivity. This bill would cause inequity and the continuation of a systemic barrier.
- Online learning is not as effective or engaging. While online education

continues to gain popularity across not only driver education but many other fields as well, there seems to be one common concern, is it as effective as the traditional classroom setting? We see the inability of students to work together in small groups to solve problems or discuss traffic safety topics and frankly, according to many studies, online learning is just not as effective or engaging.

Please see the following articles that stresses our point:

The Trouble with Online College

Summarization of a key point: "Low-performing students who may be just barely hanging on in traditional classes tend to fall even further behind in online courses."

A Look Inside Online Educational Settings in High School: Promise and Pitfalls for Improving Educational Opportunities and Outcomes Summarization of findings: "Furthermore, over the 4 years of study data and observations of the implementation of online instruction, we saw few instances where the use of online instructional programming appeared to support student access to personalized, high-quality instruction There were minimal opportunities to adjust to or supplement core curriculum and instructional delivery in the online course-taking system, with a lack of accommodations for all students and particularly those with special educational needs. Many instructors also struggled to respond to student requests for content assistance in their online courses, a finding that is consistent with that of Stevens et al. (2016) that also refutes a core argument in support of the use of online technology, that is, that it affords opportunities for increased customization of content and individualization of instruction (i.e., Archambault et al., 2010)."

Parent Taught Driver Education The basis of our opposition to HB 6320

Parent-taught driver education is dangerous. Our association recognizes the effectiveness of home-schooling for many academic subjects. However, the lack of formal training, knowledge, teaching skills, and split-second decisionmaking on the part of the driver education parent-teacher can put the child, the parent, pedestrians, and other roadway users in direct danger. Driving is a complex and dangerous task that takes a great deal of risk awareness and observation skills. A parent who lacks the skills to teach math in a homeschooling environment will not likely cause injury or death to others. Conversely, the result of improperly trained parents in a driver education environment can indeed lead to injury and death. Driver training instructors are trained to build skills and confidence in children throughout the child's driving instruction experience, and both aspects must be present in the driver education learning environment to keep everyone alive and safe. Instructors are trained to stay calm and handle emergency situations (which may involve taking control of the vehicle]. In summary, the benefits of homeschooled driver education are not worth the risk. The average parent does not possess the educational training or skills necessary to safely correct any driving errors or guide a new driver through all aspects of our complicated traffic environments.

- Driving instruction in vehicles without special equipment is dangerous.
 Parents would not have the advantage of a training vehicle equipped with dual control brakes, dual mirrors, and "student driver" signs displayed on the front and rear of their vehicle.
- Insurance rates will rise. Currently, parents are given automobile insurance
 discounts if their children complete formal driver education. If this bill passes,
 not only will home-schooled parents pay more for automobile insurance, but
 the danger also associated with less experienced drivers can raise insurance
 rates for all Michigan drivers.
- Peer observation is a valuable learning tool. Currently student drivers have an opportunity to interact with their pers and validate lessons learned through the guided observation of their peers. This bill will essentially eliminate that exchange of ideas and thoughts.
- Oregon statistics show parent-taught instruction is less safe. A national study completed in Oregon in January 2005 reviewed teen driving records, including 16, 17, 18, and 19-year old drivers. It compared those that had 50 hours of driving practice with their parents and no driver education course. The study revealed:
 - The crash rate for the teens taking formal driver education was 11-21%
 LOWER than those taking 100 hours of practice time with their parents.
 - The traffic conviction rate for the teens taking formal driver education was 39-57% LOWER than those taking 100 hours of practice time with their parents.
 - The driver license suspension rate for the teens taking formal driver education was 51-53% LOWER than those taking 100 hours of practice time with their parents.
- Texas statistics show parent-taught instruction is less safe. In 1997, Texas implemented administrative rules, based on legislation passed in 1995 that provided for parent or guardian-taught novice driver training. The 2007 study entitled, "Parent-Taught Driver Education in Texas: A Comparative Evaluation," published by the US DOT National Highway Traffic Safety Administration [NHTSA], concluded, in part: "Based on the analysis of information derived from nine focus groups, the responses of approximately 500 young drivers to a statewide survey, and analysis of more than 1.4 million Texas driver records, there is evidence to suggest that the parent-taught driver education program has a negative influence on the overall safety of novice drivers in Texas, especially in terms of young driver crash involvement."
- Michigan businesses and employees will be negatively affected. The NHTSA report shows that 30% of the teenage driver education population in Texas now receives driver education through parent instruction. If we take only a fraction of that population, 5-10%, of the approximately 85,000-90,000 students complete a segment one per year, and eliminate them from the businesses revenues, it would create an overall potential yearly industry loss of \$2,231,250 or \$6,375 per year each provider would lose in revenues. It is

certain that the passage of HB 6320 will increase the unemployment problem in Michigan by putting a substantial number of driver education providers and instructors out of work.

- Any savings would be off-set by the costs. The average cost of driver education in Michigan is \$350. This fee is well worth the cost when you consider the instruction, use of equipment, gasoline cost, and the added assurances a parent has in knowing that his/her child is being guided by a highly trained professional in an automobile that is equipped with instructor brakes and other equipment to help manage learning in a safe environment.
- The cost savings for parents is not worth the risk. If this bill is attempting to reduce the costs of driver education for parents, the goal will surely be lost. In fact, the cost of increased injuries and fatalities will outweigh any benefit gained from home-schooled driver education.

We know that Driver education is not a course to be taken lightly. In fact, we could argue that driver education is the single most important high school course a student will take. Why? If a student is bad at math, no one gets hurt. If a student is bad at driving, people can get injured or killed.

In summary, in speaking for an association that was established 64 years ago with a deeply rooted foundation into traffic safety, we need to demonstrate our resolve for a better course of action than HB 5845 & 6320.

I thank you in advance for considering the opinions of our membership.

Sincerely,

Lisa Valentine, President Michigan Driver and Traffic Safety Education Association

Prepared by: Christine Adams, Secretariat



To all members of the Government Operations Committee,

This is Marvin Freed with Freed Indeed Driving School. I am writing to you in regards to HB 5845 and HB 6320.

As a driving school provider/instructor, we have gone through expensive and rigorous training to do our demanding job. We teach a very detailed and extensive curriculum and have high service standards currently in place by our Michigan Dept. of State. This bill completely undermines the National Driver Education Standards that the Michigan Dept. of State and our industry is committed to. This bill puts Michigan's parents, students, citizens, and other roadway users at a very high risk by potentially placing a population of novice drivers out on the roads with no formal training.

Young drivers are already at high risk of serious car crashes due to age and immaturity, combined with inexperience. In states where they have allowed parents to opt out of driver education, the results have led to more young driver collisions and deaths. The National Highway Traffic Safety Administration reports that parents who teach teens are 50% more likely to get into a car crash. Without proper training for these parents of home-schooled students and the mandatory safety measures like a dual brake and vehicle signage, we cannot allow them to teach their own kids how to drive. Driver education has proven to be effective at lowering collision and death rates across the nation in our most vulnerable drivers. Our GDL program is working here in Michigan and this bill will destroy everything that improved over the last 20 plus years.

Please do the right thing, protect our roadways, and **VOTE NO** on HB 5845 and HB 6320.

Marvin Freed



From:

Angie Lake

Sent:

Tuesday, December 1, 2020 12:03 PM

To:

Matt Carnagie

Subject:

FW: Oppose bill

From: 10 and 2 Driving Academy <10and2academy@gmail.com>

Sent: Tuesday, December 1, 2020 9:45 AM To: Angie Lake <alake@house.mi.gov>

Subject: Oppose bill

To whom it may concern,

I oppose the driver education bill as online instruction is not sufficient or safe for our teens in Michigan. In person or virtual instruction is best.

Sincerely, Yvonne Stammler



To all members of the Government Operations Committee,

This is Marie James with AllSafe Driver's Ed, LLC. I am writing you in regards to HB 5845 and HB 6320.

As a driving school provider/instructor, we have gone through expensive and rigorous training to do our demanding job. We teach a very detailed and extensive curriculum and have high service standards currently in place by our Michigan Dept. of State. This bill completely undermines the National Driver Education Standards that the Michigan Dept. of State and our industry is committed to. This bill puts Michigan's parents, students, citizens, and other road way users at a very high risk by potentially placing a population of novice drivers out on the roads with no formal training.

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Please do the right thing, protect our road ways, and **VOTE NO** on HB 5845 and HB 6320.

Marie James,
Owner/Instructor
AllSafe Driver's Ed, LLC



To all members of the Government Operations Committee,

This is Milton Hall with Hall of Fame driving school. I am writing you in regards to HB 5845 and HB 6320.

As a driving school provider/instructor, we have gone through expensive and rigorous training to do our demanding job. We teach a very detailed and extensive curriculum and have high service standards currently in place by our Michigan Dept. of State. This bill completely undermines the National Driver Education Standards that the Michigan Dept. of State and our industry is committed to. This bill puts Michigan's parents, students, citizens, and other road way users at a very high risk by potentially placing a population of novice drivers out on the roads with no formal training.

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Please do the right thing, protect our road ways, and **VOTE NO** on HB 5845 and HB 6320.

Milton Hall



From:

Angie Lake

Sent:

Tuesday, December 1, 2020 12:01 PM

To:

Matt Carnagie

Subject:

FW: HB 5845 and HB 6320

Importance:

High

From: Lorrie Wolenski < lorrie.wolenski@topdriver.com>

Sent: Tuesday, December 1, 2020 11:11 AM To: Angie Lake <alake@house.mi.gov>

Subject: HB 5845 and HB 6320

Importance: High

To all members of the Government Operations Committee,

This is Lorrie Wolenski with Top Driver driving school. I am writing you in regards to HB 5845 and HB 6320.

As a driving school provider/instructor, we have gone through expensive and rigorous training to do our demanding job. We teach a very detailed and extensive curriculum and have high service standards currently in place by our Michigan Dept. of State. This bill completely undermines the National Driver Education Standards that the Michigan Dept. of State and our industry is committed to. This bill puts Michigan's parents, students, citizens, and other road way users at a very high risk by potentially placing a population of novice drivers out on the roads with no formal training.

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Please do the right thing, protect our road ways, and VOTE NO on HB 5845 and HB 6320.

Lorrie E. Wolenski
Director of Customer Service
Office 1.800.374.8373
Facsimile 1.586.983.9248



We teach Driver Intelligence

Connect with us:









To all members of the Government Operations Committee,

This is Patti Saltarelli with Classic Driving School. I am writing you in regards to HB 5845 and HB 6320.

As a driving school provider/instructor, we have gone through expensive and rigorous training to do our demanding job. We teach a very detailed and extensive curriculum and have high service standards currently in place by our Michigan Dept. of State. This bill completely undermines the National Driver Education Standards that the Michigan Dept. of State and our industry is committed to. This bill puts Michigan's parents, students, citizens, and other road way users at a very high risk by potentially placing a population of novice drivers out on the roads with no formal training.

Young drivers are already at high risk of serious car crashes due to age and immaturity, combined with inexperience. In states where they have allowed parents to opt out of driver education, the results have led to more young driver collisions and deaths. National Highway Traffic Safety Administration reports that parent taught teens are 50% more likely to get into a car crash. Without proper training for these parents of home-schooled students and the mandatory safety measures like a dual brake and vehicle signage, we cannot allow them to teach their own kids how to drive. Driver education has proven to be effective at lowering collision and death rates across the nation in our most vulnerable drivers. Our GDL program is working here in Michigan and this bill will destroy everything that improved over the last 20 plus years.

Please do the right thing, protect our road ways, and **VOTE NO** on HB 5845 and HB 6320.

Thank you,

Patti Saltarelli

Patte Sattarelle

President



From:

Angie Lake

Sent:

Tuesday, December 1, 2020 12:01 PM

To:

Matt Carnagie

Subject:

FW: HB 5845 and HB 6320

From: Marshal Mattson <marshalmattson@gmail.com>

Sent: Tuesday, December 1, 2020 11:16 AM To: Angie Lake <alake@house.mi.gov>

Cc: Rep. Triston Cole (District 105) < Triston Cole@house.mi.gov>; Rep. Jason Sheppard (District 56) <JasonSheppard@house.mi.gov>; Rep. Padma Kuppa (District 41) <PadmaKuppa@house.mi.gov>; direrendon@house.mi.gov; Rep. John Reilly (District 46) < JohnReilly@house.mi.gov>; Rep. Sara Cambensy (District 109) <SaraCambensy@house.mi.gov>; Rep. Nate Shannon (District 25) <NateShannon@house.mi.gov>; Rep. Beau LaFave (District 108) <BeauLaFave@house.mi.gov>; Rep. Ann Bollin (District 42) <AnnBollin@house.mi.gov>; Rep. Graham Filler (District 93) <GrahamFiller@house.mi.gov>; Rep. Tim Sneller (District 50) <TimSneller@house.mi.gov>; Rep. Cara Clemente (District 14) <CaraClemente@house.mi.gov>; Rep. Gary Eisen (District 81) <GaryEisen@house.mi.gov>; Rep. Jim Lilly (District 89) <JimLilly@house.mi.gov>; Rep. Joseph Bellino, Jr. (District 17) <JosephBellino@house.mi.gov>; Rep. Christine Greig (District 37) < Christine Greig@house.mi.gov >; yousefrabi@house.mi.gov Subject: HB 5845 and HB 6320

To all members of the Government Operations Committee,

This is Marshal Mattson with Quality Driver Training. I am writing you in regards to HB 5845 and HB 6320.

As a driving school provider/instructor, we have gone through expensive and rigorous training to do our demanding job. We teach a very detailed and extensive curriculum and have high service standards currently in place by our Michigan Dept. of State. This bill completely undermines the National Driver Education Standards that the Michigan Dept. of State and our industry is committed to. This bill puts Michigan's parents, students, citizens, and other road way users at a very high risk by potentially placing a population of novice drivers out on the roads with no formal training.

Young drivers are already at high risk of serious car crashes due to age and immaturity, combined with inexperience. In states where they have allowed parents to opt out of driver education, the results have led to more young driver collisions and deaths. The National Highway Traffic Safety Administration reports that parent taught teens are 50% more likely to get into a car crash. Without proper training for these parents of home-schooled students and the mandatory safety measures like a dual brake and vehicle signage, we cannot allow them to teach their own kids how to drive. Driver education has proven to be effective at lowering collision and death rates across the nation in our most vulnerable drivers. Our GDL program is

working here in Michigan and this bill will destroy everything that improved over the last 20 plus years.

I am also a Road Test Examiner. I have observed that students that wait until they are eighteen and come for a road test after being trained by their parents have a higher failure rate. These drivers show a lower preparedness for driving than students that have taken Segment One and Segment Two classes.

Please do the right thing, protect our roadways, and VOTE NO on HB 5845 and HB 6320.

Marshal Mattson Quality Driver Training Adrian, MI 49221

From:

Angie Lake

Sent:

Tuesday, December 1, 2020 12:01 PM

To:

Matt Carnagie

Subject:

FW: Oppose HB5845 and Oppose HB6320!!!1 Please do not pass these bills!

From: Gayle Agar <gayleagar10@hotmail.com>
Sent: Tuesday, December 1, 2020 11:19 AM
To: Angie Lake <alake@house.mi.gov>
Cc: Gayle Agar <gayleagar10@hotmail.com>

Subject: Oppose HB5845 and Oppose HB6320!!!1 Please do not pass these bills!

On behalf of my fellow driving instructors and company, we strongly oppose the following bills: HB5845 HB6320! Please do not pass these bills as both will negatively impact our ability to remain open, and provide comprehensive and effect driver education to our teen students.

Reasons we oppose HB5845 as well as HB6320

We are small family owned business with two store fronts. If large companies are allowed to provide online instruction at a fraction of the cost services are now provide, which by the way, goes against the core teaching values developed for Michigan teens, then we be forced to go out of business.

This will have far reaching economic impact on the state, as we will no longer being paying taxes, as well as adversely affecting our employees who will be forced to go on unemployment.

We are currently able to provide on line instruction, in a synchronous manner, allowing real time interaction, as if in our actual classroom at our facility, utilizing all the hands on demonstration, examples, discussion, which we have been approved to do in response to the pandemic. We anticipate returning to our normal teaching style once the pandemic has been mitigated. For the time being, we can continue to provide excellent quality instructions, with knowledgeable instructions, and provide the in-vehicle training as needed, using dual controlled brakes in our vehicle to ensure safety. In addition, students then have the opportunity to observe others, allowing them to model appropriate, safe and defensive driving techniques. Please note, Michigan ranks in the top regarding our teen drivers, and we believe due to our training model currently employed. Let us continue with this model, and not have parents, who are not education in the realm, provide instruction.

Bottom line, if these bills pass, our school, which has been in operation since 1959 will be forced to close its doors. This will be devastating to Michigan on several economic areas. These bills are not the solution, in fact will be detrimental to drivers education.

Please VOTE NO!

Sincerely, Gayle Agar 734.968.1524

Gayle Agar, OTRL, CDI, CDRS Certified Driving Instructor Driver Rehabilitation Specialist 734.968.1524 CL This transmittal is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this transmittal is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this transmittal is strictly prohibited. If you have received this communication in error, please notify me via return e-mail and permanently delete the original and destroy all copies. Thank you.

A&A Driving School & Drivers Rehabilitation Center of Michigan

Serving you for over 50 years!

Main Office: 19582 Middlebelt Road, Livonia MI 48152 (new address)
51277 Celeste Drive, Shelby Twp MI 48315 (Rehab only)
696 N. Mill, Plymouth MI 48170 (Teen programs only)
(P):734.422.3000 (F):734-432-6007 (E):info@aa-driving.com

www.aa-driving.com

Matt Carnagie From: Angie Lake Sent: Tuesday, December 1, 2020 12:00 PM To: Matt Carnagie Subject: FW: Oppose HB5845 & HB6320 From: Kimberly Roes <topnotchdriving@gmail.com> Sent: Tuesday, December 1, 2020 11:35 AM To: Angie Lake <alake@house.mi.gov> Subject: Oppose HB5845 & HB6320 Good Morning! I am a small driver education business! These bills will close my business! This year has already been a huge struggle, please don't make it worse. I oppose HB5845 & HB6320. Save driver education from big companies! Thank you Kimberly Top Notch Driving Academy L.L.C.

Virus-free. www.avg.com



From:

Angie Lake

Sent:

Tuesday, December 1, 2020 12:00 PM

To:

Matt Carnagie

Subject:

FW: Driver Education Bills HB5845 & HB6320

From: BRIAN BUCKMASTER < briandms@wowway.com>

Sent: Tuesday, December 1, 2020 11:48 AM **To:** Angie Lake alake@house.mi.gov

Subject: Driver Education Bills HB5845 & HB6320

Dear Ms. Lake:

It has come to my attention that these Driver Education Bills will either pass in their entirety or not pass. As a person presently working in Driver Education at A&A driving school (which is a small family owned company)

the only one of the three bills that make any sense

would be to give the drivers more time to finish up the students. The other two bills, to allow continuous online instruction will favor big national providers and smaller Michigan companies could possibility go out of business. I believe the larger companies that work in Michigan have been lobbying for online instruction.

The other bill to allow home schooled students exempt from Driver Education requirements would simply be bad. I drive several of these students and they need training the same as other students. I don't understand the reason why they should be exempt. Michigan

was the first state to have Driver Education programs in the schools and I taught Driver Education in the public schools; the Public Schools had very good programs. I would not want to see the Driving programs further weakened as they have been in the past from these proposed new bills.

Sincerely,

Brian Buckmaster Retired Public Schools Teacher A&A Driving School



From:

Angie Lake

Sent:

Tuesday, December 1, 2020 11:59 AM

To:

Matt Carnagie

Subject:

FW: House Bills 5845 & 6320

From: Rhonda Zost <rhonda@keysdriving.com>
Sent: Tuesday, December 1, 2020 11:53 AM
To: Angie Lake <alake@house.mi.gov>
Subject: House Bills 5845 & 6320

Good Day,

Today the committee will take up a two bill package regarding drivers training in our state.

This would be a great loss to the significant work many have done to improve road safety in our state for young teen drivers. The is not a class that should be considered for online only.

Not only do I teach this class, but I have seen personally the improvement in teen driving with implementation of our current program in place. Teen car crashes are the number one killer of 16 & 17 year olds. Please do whatever is necessary to see that these two bills do not pass.

Thank you for your consideration on this matter. Sincerely Rhonda Zost Keys Driving School



From:

Angie Lake

Sent:

Tuesday, December 1, 2020 9:03 AM

To:

Matt Carnagie

Subject:

FW: HB5845 & HB6320

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message ------

From: Shellie Simmons <ssimmons2636@yahoo.com>

Date: 12/1/20 9:01 AM (GMT-05:00)
To: Angie Lake <alake@house.mi.gov>
Cc: ashelychambers248@yahoo.com

Subject: HB5845 & HB6320

I am opposing the subject bills (HB5845 & HB6320). This is Shellie Simmons with Alpine Driving School, Inc. - Southfield, Mi.



Matt Carnagie

From:

Angie Lake

Sent:

Tuesday, December 1, 2020 8:42 AM

То:

Matt Carnagie

Subject:

FW: HB5845 & HB6320

-----Original Message-----

From: Sara Desgranges <sara.desgranges@gmail.com>

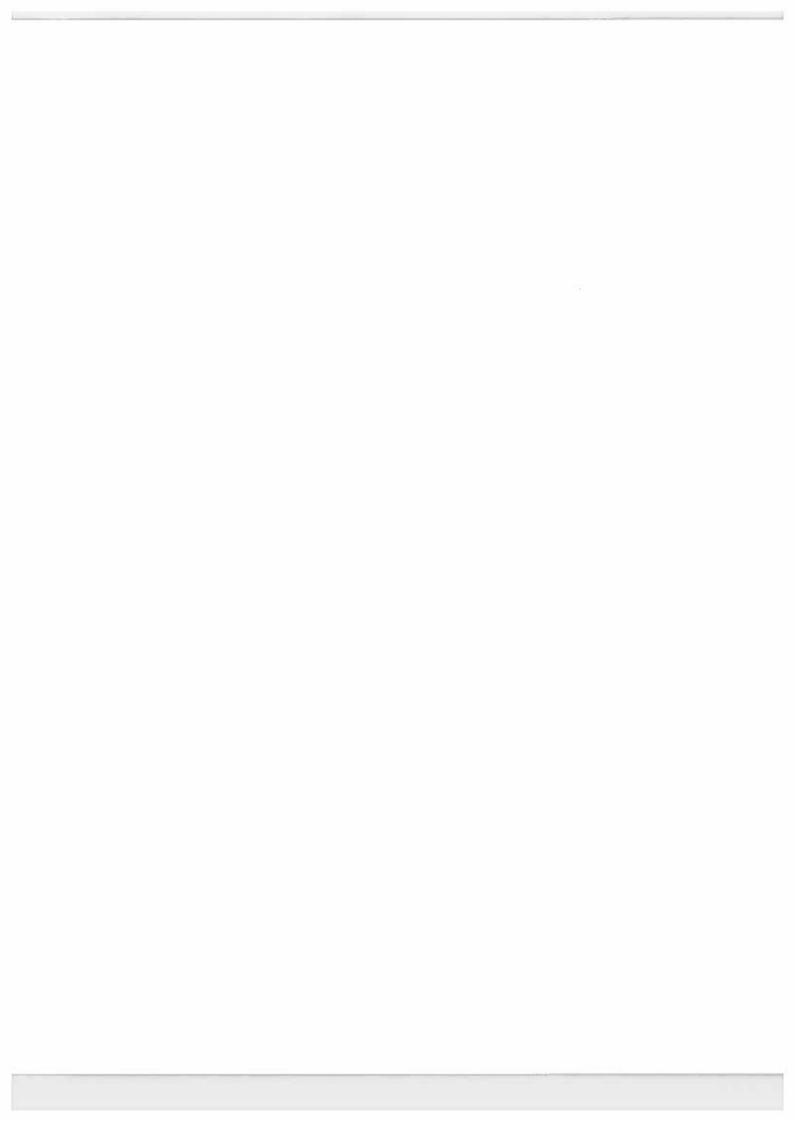
Sent: Tuesday, December 1, 2020 8:41 AM To: Angie Lake <alake@house.mi.gov>

Subject: HB5845 & HB6320

In regard to the two bills going to committee today I would like to offer my support! As a drivers Ed instructor and homeschool mom in the state of Michigan these items would be a huge positive for us!

Thank you!

Sara Desgranges



Matt Carnagie

From:

Angie Lake

Sent:

Tuesday, December 1, 2020 8:36 AM

То:

Matt Carnagie

Subject:

FW: Proposed Bills

From: Nancy Crandell <nancy.crandell@mybedford.us>

Sent: Tuesday, December 1, 2020 8:36 AM To: Angie Lake <alake@house.mi.gov>

Subject: Proposed Bills

Please defeat proposed HB5845 & HB6320!

Nancy Crandell Bedford Community Education



Matt Carnagie

From:

Angie Lake

Sent:

Tuesday, December 1, 2020 8:21 AM

To:

Matt Carnagie

Subject:

FW: HB5845 / HB6320

From: Jan Scott <jan.scott@mybedford.us> Sent: Tuesday, December 1, 2020 8:19 AM To: Angie Lake <alake@house.mi.gov>

Subject: HB5845 / HB6320

I oppose both bills. Online education is not a good thing for most students especially when it comes to teaching them a life skill like drivers education that affects all highway users. I urge you to stop these bills from moving forward. Allow students that face to face and live learning so that instructors can be sure the students are doing all the work and learning the information well. It is far too risky to put students on the road who have not had face to face learning. The pandemic will be behind us soon. Throwing students into online learning should be a temporary fix not a long term fix.

Jan Scott
Spanish teacher
Driver Education teacher
Bedford Education Association president



To members of the Government Operations committee.

My name is Dan Wagberg, I own Premier Driving Academy. I am writing you in regards to HB 5845 and HB 6320. This bill completely undermines the National Driver Education Standards that the Michigan Dept. of State and our industry is committed to. This bill puts Michigan's parents, students, citizens, and other road way users at a very high risk by potentially placing a population of novice drivers out on the roads with no formal training.

In recent years Michigan has lead the nation in safe driving, we have always been a leader in car safety. I don't understand why we would be risking our citizens safety on bills that would diminish our great standards. Statistics tell us that those who have been taught by Parents are 50% more likely to be in car accidents vs. students who are taught by Professional instructors.

Please do the right thing, protect our road ways, and **VOTE NO** on HB 5845 and HB 6320.





December 1, 2020

Dear Honorable Governor Gretchen Whitmer and Respected Members of the Michigan Senate and House of Representatives:

The Michigan Driver and Traffic Safety Education Association (MDTSEA) is an organization representing driver educators, supervisors/directors, driving school administrators and owners, road test examiners, corporate fleet safety trainers, enforcement officials, and traffic safety experts across the state. According to Michigan Department of State records, in September 2020, there were 294 driver education providers (schools), employing 1,831 instructors in Michigan.

This letter represents the collective voice of our association, as we feel compelled to share our opposition on HB 5845 and HB 6320 that would have a major impact on driver education in Michigan. Both bills are being presented as solutions during the pandemic crisis, but we believe both bills are opportunistic bills that benefit large corporations/providers. Ultimately, leading to driving schools laying off classroom instructors or closing their business entirely. We do not believe that finding a solution to one problem should inadvertently create another problem: in this case, the unemployment of classroom instructors, lower standards of learning, increase of crash related injuries and deaths.

The basis of our opposition to HB 5845.

• Gives exclusive control of a particular market, including the power to control prices and exclude competition. Proponents believe it can increase business for providers. Essentially, the larger company (AAA in this case) sells the same products as you do but at a much lower price. For example, providers would pay AAA \$39 per student but to make a profit to cover business cost, the provider would have to sell the course for at least double for more. So, one provider may charge \$89, and to beat that rate, another could lower the cost to \$79.....and so on down the line until the price drops and the profit margin for online providers gets reduced severely.

How can providers that have rented classrooms compete with online providers? We see a situation in which classroom instructors are laid off because there are not enough students in class to cover rent. Please see the example on page 2 and 3 of a small driver education providers business Profit & Loss figures.

With these modest simple figures, how can one state providers will not lose profits? AAA even recognized this as stated on page 77 of the "Novice Driver Education Model Curriculum Outline", prepared by the AAA Foundation for Traffic Safety, it states:

Figures are based on a small business consisting of [1] employer[owner], [1] location, [1] vehicle. Offering segment 1 course and Behind-the-Wheel[BTW] instruction to teens.

Profit & Loss for the month of	October	31,	2020
Revenue			
Segment 1 Course [30 students @\$355/student]	\$ 10,650.00		
Total Gross Revenue		\$	10,650.00
Cost of Goods Sold Classroom instruction [\$20/hr X24 hours] + [\$100/COVID classroom materials] + [\$50/instructional materials]	\$ 630.00		
BTW Instruction [Salary = \$20/hr X 180hr = \$3,600] + [\$21.10/gas per student X 30 students = \$633] + [\$212/Commercial vehicle insurance and registration/plate per month] + [\$150/Vehicle maintenance/COVID cleaning supplies = \$362]	\$ 4,595.00		
Total Cost of Goods Sold		\$	5,225.00
Gross Profit / (Loss)		\$	5,425.00
Gross Profit / (Loss) %		\$	0.51
Operating Expenses			
Salaries & Payroll Costs			
Electricity	\$ 150.00		
Rent	\$ 550.00		
Insurance	\$ 50.00		
Office Supplies	\$ 30.00		
Advertising Costs	\$ 50.00		
Telecomms - Phone, Internet etc.	\$ 150.00		
Equipment	\$ 20.00		
Subscriptions	\$ 30.00		
Total Operating Expenses	•	\$	1,030.00
Net Profit / (Loss) Before Depreciation, Interest & Taxes		\$	4,395.00
Net Profit / (Loss) %		\$	0.41
Depreciation [Vehicle + Office equipment]	\$ 1,500.00		
Bank Charges & Interest Costs	\$ 10.00		
Profit Before Tax		\$	2,885.00
Net Profit / (Loss) %		\$	0.27
Taxes	\$ 75.00		
Net Profit		\$	2,810.00
Net Profit / (Loss) %		\$	0.26

Figures are based on a small business consisting of [1] employer[owner], [1] location, [1] vehicle. Offering AAA's online segment 1 course and Behind-the-Wheel[BTW] instruction to teens.

Profit & Loss for the month of		October 31, 2020		
Revenue		Mary Nove		
AAA Online Course [30 students X \$70/course-student] BTW Instruction [30 students X 6 hrs/student = 180 hrs X \$35/hr]	\$ \$	2,100.00 6,300.00		
Total Gross Revenue			\$	8,400.00
Cost of Goods Sold				
AAA Online Course [30 students @ \$40/student. Provider would pay AAA BTW Instruction [Salary = \$20/hr X 180hr = \$3,600] + [\$21.10/gas per student X 30 students = \$633] + [\$212/Commercial vehicle insurance and registration/plate per month] + [\$150/Vehicle maintenance/COVID cleaning	\$	1,200.00 4,595.00		
supplies = \$362]			_	5 705 00
Total Cost of Goods Sold			\$	5,795.00
Gross Profit / (Loss)			\$	2,605.00
Gross Profit / (Loss) %			\$	0.31
Operating Expenses				
Salaries & Payroll Costs				
Electricity	\$	150.00		
Rent	\$	550.00		
Insurance	\$	50.00		
Office Supplies	\$	30.00		
Advertising Costs	\$	50.00		
Telecomms - Phone, Internet etc.	\$	150.00		
Equipment	\$	20.00		
Subscriptions	\$	30.00		
Total Operating Expenses			\$	1,030.00
Net Profit / (Loss) Before Depreciation, Interest & Taxes			\$	1,575.00
Net Profit / (Loss) %			\$	0.19
Depreciation [Vehicle + Office equipment]	\$	1,500.00		
Bank Charges & Interest Costs	\$	10.00		
Profit Before Tax			\$	65.00
Net Profit / (Loss) %			\$	0.01
Taxes	\$	75.00		
Net Profit			\$	(10.00
Net Profit / (Loss) %			\$	(0.00

"Many small commercial operators would be left out of technology advances because of the up-front costs involved. In some jurisdictions, there is already a two-tiered commercial industry, with larger schools providing two-phase training to some standard, perhaps to qualify graduates for an insurance discount. Small operators may offer only in-car lessons to prepare for the licensing test. Increasing operating unit costs in the upper tier would inevitably force business into the lower tier. The upper tier's ability to absorb capital costs is unclear, but it would probably depend on market expansion to recover the costs without increasing unit costs."

Further, by allowing online driver education in Michigan, you do not simply allow AAA entry into the market. Aceable and others would be allowed too. We note their current price for online driver education in other states is \$29. Sounds like great savings for the parents, and the convenience of a self-paced course for the teen, but it also puts Michigan classroom instructors out of work while prospering out-of-state vendors. Thus creating a "Monopoly" or "Predatory Pricing/Price Fixing". According to the Michigan Department of Attorney General's web site, monopoly is a large company that has control over most, if not all, of a product or service in a particular industry or geographical area.

Predatory pricing has been defined by the U.S. Supreme Court as "pricing below an appropriate measure of cost for the purpose of eliminating competitors in the short run and reducing competition in the long run".

Please see the following resources:

<u>Understanding Exclusionary Conduct in Cases Involving Multi-Sided Platforms:</u>
Predatory pricing, Vertical Restraints, and MFN

<u>Predatory Pricing: Strategic Theory and Legal Policy, Patrick Bolton, Joseph F. Brodley and Michael H. Riordan</u>

Michigan Antitrust Reform Act, PA 274 of 1984

- Denial of participation for students with disabilities. Title III prohibits discrimination of individuals with disabilities "in the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation by any person who owns, leases (or leases to), or operates a place of public accommodation (42 U.S.C. § 12182(a). The Nation's proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals; and the continuing existence of unfair and unnecessary discrimination and prejudice denies people with disabilities the opportunity to compete on an equal basis and to pursue those opportunities for which our free society is justifiably famous, and costs the United States billions of dollars in unnecessary expenses resulting from dependency and nonproductivity. This bill would cause inequity and the continuation of a systemic barrier.
- Online learning is not as effective or engaging. While online education

continues to gain popularity across not only driver education but many other fields as well, there seems to be one common concern, is it as effective as the traditional classroom setting? We see the inability of students to work together in small groups to solve problems or discuss traffic safety topics and frankly, according to many studies, online learning is just not as effective or engaging.

Please see the following articles that stresses our point:

The Trouble with Online College

Summarization of a key point: "Low-performing students who may be just barely hanging on in traditional classes tend to fall even further behind in online courses."

A Look Inside Online Educational Settings in High School: Promise and Pitfalls for Improving Educational Opportunities and Outcomes Summarization of findings: "Furthermore, over the 4 years of study data and observations of the implementation of online instruction, we saw few instances where the use of online instructional programming appeared to support student access to personalized, high-quality instruction There were minimal opportunities to adjust to or supplement core curriculum and instructional delivery in the online course-taking system, with a lack of accommodations for all students and particularly those with special educational needs. Many instructors also struggled to respond to student requests for content assistance in their online courses, a finding that is consistent with that of Stevens et al. (2016) that also refutes a core argument in support of the use of online technology, that is, that it affords opportunities for increased customization of content and individualization of instruction (i.e., Archambault et al., 2010)."

Parent Taught Driver Education The basis of our opposition to HB 6320

Parent-taught driver education is dangerous. Our association recognizes the effectiveness of home-schooling for many academic subjects. However, the lack of formal training, knowledge, teaching skills, and split-second decisionmaking on the part of the driver education parent-teacher can put the child, the parent, pedestrians, and other roadway users in direct danger. Driving is a complex and dangerous task that takes a great deal of risk awareness and observation skills. A parent who lacks the skills to teach math in a homeschooling environment will not likely cause injury or death to others. Conversely, the result of improperly trained parents in a driver education environment can indeed lead to injury and death. Driver training instructors are trained to build skills and confidence in children throughout the child's driving instruction experience, and both aspects must be present in the driver education learning environment to keep everyone alive and safe. Instructors are trained to stay calm and handle emergency situations [which may involve taking control of the vehicle). In summary, the benefits of homeschooled driver education are not worth the risk. The average parent does not possess the educational training or skills necessary to safely correct any driving errors or guide a new driver through all aspects of our complicated traffic environments.

- Driving instruction in vehicles without special equipment is dangerous.
 Parents would not have the advantage of a training vehicle equipped with dual control brakes, dual mirrors, and "student driver" signs displayed on the front and rear of their vehicle.
- Insurance rates will rise. Currently, parents are given automobile insurance discounts if their children complete formal driver education. If this bill passes, not only will home-schooled parents pay more for automobile insurance, but the danger also associated with less experienced drivers can raise insurance rates for all Michigan drivers.
- Peer observation is a valuable learning tool. Currently student drivers have an opportunity to interact with their pers and validate lessons learned through the guided observation of their peers. This bill will essentially eliminate that exchange of ideas and thoughts.
- Oregon statistics show parent-taught instruction is less safe. A national study completed in Oregon in January 2005 reviewed teen driving records, including 16, 17, 18, and 19-year old drivers. It compared those that had 50 hours of driving practice with their parents and no driver education course. The study revealed:
 - The crash rate for the teens taking formal driver education was 11-21%
 LOWER than those taking 100 hours of practice time with their parents.
 - The traffic conviction rate for the teens taking formal driver education was 39-57% LOWER than those taking 100 hours of practice time with their parents.
 - The driver license suspension rate for the teens taking formal driver education was 51-53% LOWER than those taking 100 hours of practice time with their parents.
- Texas statistics show parent-taught instruction is less safe. In 1997, Texas implemented administrative rules, based on legislation passed in 1995 that provided for parent or guardian-taught novice driver training. The 2007 study entitled, "Parent-Taught Driver Education in Texas: A Comparative Evaluation," published by the US DOT National Highway Traffic Safety Administration [NHTSA], concluded, in part: "Based on the analysis of information derived from nine focus groups, the responses of approximately 500 young drivers to a statewide survey, and analysis of more than 1.4 million Texas driver records, there is evidence to suggest that the parent-taught driver education program has a negative influence on the overall safety of novice drivers in Texas, especially in terms of young driver crash involvement."
- Michigan businesses and employees will be negatively affected. The NHTSA report shows that 30% of the teenage driver education population in Texas now receives driver education through parent instruction. If we take only a fraction of that population, 5-10%, of the approximately 85,000-90,000 students complete a segment one per year, and eliminate them from the businesses revenues, it would create an overall potential yearly industry loss

of \$2,231,250 or \$6,375 per year each provider would lose in revenues. It is certain that the passage of HB 6320 will increase the unemployment problem in Michigan by putting a substantial number of driver education providers and instructors out of work.

- Any savings would be off-set by the costs. The average cost of driver education in Michigan is \$350. This fee is well worth the cost when you consider the instruction, use of equipment, gasoline cost, and the added assurances a parent has in knowing that his/her child is being guided by a highly trained professional in an automobile that is equipped with instructor brakes and other equipment to help manage learning in a safe environment.
- The cost savings for parents is not worth the risk. If this bill is attempting to reduce the costs of driver education for parents, the goal will surely be lost. In fact, the cost of increased injuries and fatalities will outweigh any benefit gained from home-schooled driver education.

We know that Driver education is not a course to be taken lightly. In fact, we could argue that driver education is the single most important high school course a student will take. Why? If a student is bad at math, no one gets hurt. If a student is bad at driving, people can get injured or killed.

In summary, in speaking for an association that was established 64 years ago with a deeply rooted foundation into traffic safety, we need to demonstrate our resolve for a better course of action than HB 5845 & 6320.

I thank you in advance for considering the opinions of our membership.

Sincerely,

Lisa Valentine, President Michigan Driver and Traffic Safety Education Association

